

2025 ANNUAL REPORT

SBM OFFSHORE

TRUE.
BLUE.
TRANSITION.

Regarding loans to joint ventures and associates, the maximum exposure to credit risk is the carrying amount of these instruments. As the counterparties of these instruments are joint ventures, the Company has visibility over the expected cash flows and can monitor and manage credit risk that mainly arises from the joint venture's final client.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and abnormal conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

In 2025, the Company again conducted various liquidity scenarios, financial stress tests and sensitivity analyses. The conclusion remained that the Company's lease portfolio and the existing financing facilities and overall financing capacity are sufficient to ensure that the Company will continue as a going concern in the foreseeable future and it can sustain future growth plans. Furthermore, under its Lease and Operate contractual arrangements with clients, the Company has considerable time under charters in which to deal with disruptions from events outside the Company's control, thus providing it with considerable financial protection.

Liquidity is monitored using rolling forecasts of the Company's liquidity reserves, based on expected cash flows. Flexibility is secured by maintaining availability under committed credit lines.

The table below analyses the Company's non-derivative financial liabilities, derivative financial liabilities and derivative financial assets in relevant maturity groupings, based on the remaining period at the statement of financial position date until the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. The future interest cash flows for borrowings and derivative financial instruments are based on the SOFR 3-month rates as at the reporting date.

Liquidity risk 2025

	Note	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
31 December 2025					
Borrowings	4.3.23	3,624	6,671	4,409	14,704
Lease liabilities	4.3.23	20	52	62	135
Derivative financial liabilities	4.3.20	31	23	3	57
Derivative financial assets	4.3.20	(206)	(226)	(160)	(592)
Trade and other payables	4.3.25	1,266	-	-	1,266
Total		**4,735**	**6,520**	**4,314**	**15,570**

Liquidity risk 2024

	Note	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
31 December 2024					
Borrowings	4.3.23	1,112	8,096	5,048	14,256
Lease liabilities	4.3.23	10	30	31	71
Derivative financial liabilities	4.3.20	215	74	-	289
Derivative financial assets	4.3.20	(186)	(313)	(321)	(820)
Trade and other payables	4.3.25	1,088	-	-	1,088
Total		**2,239**	**7,886**	**4,759**	**14,884**

Capital risk management

The Company's objectives when managing its capital structure are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to optimize the Company's cost of capital while ensuring diversification of sources of external funds.

The Company mainly uses its corporate revolving credit facility (RCF, US$1.1 billion) and supply-chain financing (SCF, US$260 million) to bridge financing requirements on projects under construction.

As per December 31, 2025, all the debt associated with operating FPSOs is non-recourse.

The Company does not maintain a target net leverage ratio and continuously monitors prepayment and refinancing opportunities in its project finance facilities to optimize its capital structure. As such, from time to time, it may decide to refinance existing facilities based on the project specific circumstances and financial market conditions.

The gearing ratios at December 31, 2025, and December 31, 2024, were as follows:

Capital risk management

	2025	2024
Total borrowings and lease liabilities	9,155	8,943
Less: net cash and cash equivalents	1,086	806
Net debt	**8,068**	**8,137**
Total equity	6,482	5,844
Total capital	**14,550**	**13,981**
Gearing ratio	55.5%	58.2%

Climate related risks

The Company has adopted two climate change scenarios to future-proof current strategy and take appropriate action. The scenarios are based on the latest global climate model data (CMIP6) that inform the Intergovernmental Panel on Climate Change's Sixth Assessment Reports (IPCC AR6) as explained in section 3.2.1 Climate change impact, risk and opportunity:

- The SSP5 8.5 scenario, a climate change scenario which assumes a fossil-intensive development path resulting in high GHG emissions and serves as a very high–emissions stress test applied across 2030, 2040, and 2050;
- The SSP1-2.6 scenario, a climate action scenario that emphasizes clean energy technologies and the preservation of the natural environment, resulting in a lower-emissions pathway, complemented by the IEA Net-Zero Emissions (NZE) by 2050 scenario which serves as a benchmark for the energy sector aligned with a 1.5°C global temperature increase.

Through its strategy process the Company tests the resilience of its portfolio and business model against each of these scenarios. Financial and non-financial information are aligned in order to ensure that the financial impact of climate related risks is identified. The Company assessed the physical and transitional risks disclosed in section 3.2.1 Climate change impact, risk and opportunity from a consolidated financial statement perspective. Based on the reasonable and supportable information available to date and the outcome of risk assessments, the Company did not identify any circumstances which had an impact on impairment of non-financial assets, provisions nor contingent liabilities and assets in the 2025 consolidated financial statements.

Although climate-related risks are key drivers of the Company strategy, budgeting exercise, capital allocation and prospects selection, the Company did not experience any significant impact on the financial statements of the reporting period.

The identified risks will however remain key points of attention, namely in the areas of impairment testing, estimation of remaining useful life, expected credit losses and provisions for future periods.

Other risks

With respect to controlling political risk, the Company has a policy of thoroughly reviewing risks associated with contracts, whether Turnkey or long-term leases. Where political risk cover is deemed necessary and available in the market, insurance is obtained.

4.3.28 LIST OF GROUP COMPANIES

In accordance with legal requirements, a list of the Company's entities that are included in the consolidated financial statements of SBM Offshore N.V. has been deposited at the Chamber of Commerce in Amsterdam.